

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
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Administration of the North American Numbering Plan)	CC Docket 99-200
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ORDER

Adopted: January 28, 2005

Released: February 1, 2005

By the Commission: Commissioners Abernathy, Copps, and Adelstein concurring and issuing separate statements.

I. INTRODUCTION

1. In this order, we grant SBC Internet Services, Inc. (SBCIS)¹ a waiver of section 52.15(g)(2)(i) of the Commission's rules.² Specifically, subject to the conditions set forth in this order, we grant SBCIS permission to obtain numbering resources directly from the North American Numbering Plan Administrator (NANPA) and/or the Pooling Administrator (PA) for use in deploying IP-enabled services, including Voice over Internet Protocol (VoIP) services, on a commercial basis to residential and business customers. We also request the North American Numbering Council (NANC) to review whether and how our numbering rules should be modified to allow IP-enabled service providers access to numbering resources in a manner consistent with our numbering optimization policies. The waiver will be in effect until the Commission adopts final numbering rules for IP-enabled services.

II. BACKGROUND

2. On May 28, 2004, SBCIS requested Special Temporary Authority (STA) to obtain numbering resources directly from the NANPA and/or the PA for a non-commercial trial of VoIP

¹ SBC IP Communications, Inc. (SBCIP) filed the petition in which it stated that it is an information service provider affiliate of SBC Communications, Inc. On January 27, 2005, SBC sent a letter to the Commission stating that SBCIP has been consolidated into another SBC affiliate, known as SBC Internet Services, Inc. (SBCIS), effective December 31, 2004. See Letter to Marlene H. Dortch, Secretary, Federal Communications Commission, from Jack Zinman, General Attorney, SBC Telecommunications, Inc. (January 25, 2005). Accordingly, in this Order we refer to SBCIS instead of SBCIP.

² 47 C.F.R. § 52.15(g)(2)(i). Section 52.15(g)(2)(i) requires each applicant for North American Numbering Plan (NANP) resources to submit evidence that it is authorized to provide service in the area for which the numbering resources are being requested.

services.³ On June 16, 2004, the Commission granted a STA to SBCIS to obtain up to ten 1,000 blocks directly from the PA for use in a limited, non-commercial trial of VoIP services.⁴ On July 7, 2004, SBCIS requested a limited waiver of section 52.15(g)(2)(i) of our rules, which requires applicants for numbering resources to provide evidence that they are authorized to provide service in the area in which they are requesting numbering resources.⁵ SBCIS's petition asserts that it intends to use the numbering resources to deploy IP-enabled services, including VoIP services, on a commercial basis to residential and business customers.⁶ In addition, SBCIS limits its waiver request in duration until we adopt final numbering rules in the *IP-Enabled Services* proceeding.⁷ SBCIS asserts that this limited waiver of our numbering rules will allow it to deploy innovative new services using a more efficient means of interconnection between IP networks and the Public Switched Telephone Network (PSTN).⁸ Finally, SBCIS argues that granting the waiver will not prejudice the Commission's ability to craft rules in that proceeding.⁹ The Commission released a Public Notice on July 16, 2004, seeking comment on this petition.¹⁰ Several parties filed comments.¹¹

3. The standard of review for waiver of the Commission's rules is well settled. The Commission may waive its rules when good cause is demonstrated.¹² The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest.¹³ In doing so, the Commission may take into account considerations of hardship, equity, or more

³ See Letter to William F. Maher, Jr., Chief, Wireline Competition Bureau, Federal Communications Commission, from Gary Phillips, General Attorney & Assistant General Counsel, SBC Telecommunications, Inc. (May 28, 2004) (*Phillips Letter*).

⁴ *In the Matter of Administration of the North American Numbering Plan*, Order, CC Docket No. 99-200, 19 FCC Rcd 10708 (2004) (*SBCIS STA Order*).

⁵ See *SBC IP Communications, Inc. Petition for Limited Waiver of Section 52.15(g)(2)(i) of the Commission's Rules Regarding Access to Numbering Resources*, filed July 7, 2004 (*SBCIS Petition*).

⁶ See *SBCIS Petition* at 1.

⁷ *IP-Enabled Services*, WC Docket No. 04-36, *Notice of Proposed Rulemaking*, 19 FCC Rcd 4863 (2004) (*IP-Enabled Services NPRM*). In the *IP-Enabled Services NPRM*, the Commission sought comment on whether any action relating to numbering resources is desirable to facilitate or at least not impede the growth of IP-enabled services, while at the same time continuing to maximize the use and life of numbering resources in the North American Numbering Plan. *IP-Enabled Services NPRM*, 19 FCC Rcd at 4914.

⁸ *Id.*

⁹ See *SBCIS Petition* at 2.

¹⁰ *Comment Sought on SBC IP Communications, Inc. Petition for Limited Waiver of Section 52.15(g)(2)(i) of the Commission's Rules Regarding Access to Numbering Resources*, Public Notice, CC Docket No. 99-200, 19 FCC Rcd 13158 (2004).

¹¹ See Appendix.

¹² 47 C.F.R. § 1.3; see also *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969), *cert denied*, 409 U.S. 1027 (1972) (*WAIT Radio*).

¹³ *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (*Northeast Cellular*).

effective implementation of overall policy on an individual basis.¹⁴ Commission rules are presumed valid, however, and an applicant for waiver bears a heavy burden.¹⁵ Waiver of the Commission's rules is therefore appropriate only if special circumstances warrant a deviation from the general rule, and such a deviation will serve the public interest.¹⁶

III. DISCUSSION

4. We find that special circumstances exist such that granting SBCIS's petition for waiver is in the public interest. Thus, we find that good cause exists to grant SBCIS a waiver of section 52.15(g)(2)(i) of the Commission's rules until the Commission adopts numbering rules regarding IP-enabled services.¹⁷ Absent this waiver, SBCIS would have to partner with a local exchange carrier (LEC) to obtain North American Numbering Plan (NANP) telephone numbers.¹⁸ Allowing SBCIS to directly obtain numbers from the NANPA and the PA, subject to the conditions imposed in this order, will help expedite the implementation of IP-enabled services that interconnect to the PSTN; and enable SBCIS to deploy innovative new services and encourage the rapid deployment of new technologies and advanced services that benefit American consumers. Both of these results are in the public interest.¹⁹ To further ensure that the public interest is protected, the waiver is limited by certain conditions. Specifically, we require SBCIS to comply with the Commission's other numbering utilization and optimization requirements, numbering authority delegated to the states, and industry guidelines and practices,²⁰ including filing the Numbering Resource Utilization and Forecast Report (NRUF).²¹ We further require SBCIS to file any requests for numbers with the Commission and the relevant state commission at least thirty days prior to requesting numbers from the NANPA or the PA. To the extent other entities seek similar relief we would grant such relief to an extent comparable to what we set forth in this Order.

5. Currently, in order to obtain NANP telephone numbers for assignment to its customers, SBCIS would have to purchase a retail product (such as a Primary Rate Interface Integrated Services Digital Network (PRI ISDN) line) from a LEC, and then use this product to interconnect with the PSTN in order to send and receive certain types of traffic between its network and the carrier networks.²² SBCIS seeks to develop a means to interconnect with the PSTN in a manner similar to a carrier, but without being considered a carrier.²³ Specifically, SBCIS states that rather than purchasing retail service it would prefer

¹⁴ *WAIT Radio*, 418 F.2d at 1159; *Northeast Cellular*, 897 F.2d at 1166.

¹⁵ *WAIT Radio*, 418 F.2d at 1157.

¹⁶ *Id.* at 1159.

¹⁷ The Commission emphasizes that it is not deciding in this Order whether VoIP is an information service or a telecommunications service.

¹⁸ See SBCIS Petition at 3-5.

¹⁹ See *IP-Enabled Services NPRM*, 19 FCC Rcd at 4865 (recognizing the paramount importance of encouraging deployment of broadband infrastructure to the American people).

²⁰ See 47 C.F.R. Part 52.

²¹ See 47 C.F.R. § 52.15(f)(6)(requiring carriers to file NRUF reports).

²² See SBCIS Petition at 2-3, PointOne Comments at 2-3.

²³ See SBCIS Petition at 3-5.

to interconnect with the PSTN on a trunk-side basis at a centralized switching location, such as an incumbent LEC tandem switch. SBCIS believes this type of interconnection arrangement will allow it to use its softswitch and gateways more efficiently to develop services that overcome the availability and scalability limitations inherent in retail interconnections with the PSTN.²⁴ SBCIS states that the requested waiver is necessary for it to be able to obtain its preferred form of interconnection.

6. Granting SBCIS direct access to telephone numbers is in the public interest because it will facilitate SBCIS' ability to efficiently interconnect to the PSTN, and thereby help to achieve the Commission's goals of fostering innovation and speeding the delivery of advanced services to consumers.²⁵ As SBCIS notes in its petition, if it were to pursue this method of interconnection to the PSTN, it would be in a similar situation as commercial wireless carriers were when they sought to interconnect to the PSTN.²⁶ Many of these wireless carriers did not own their own switches, and they had to rely on incumbent LECs (ILECs) to perform switching functions.²⁷ Wireless carriers, therefore, had to interconnect with ILEC end offices to route traffic, in what is known as "Type 1" interconnection.²⁸ Many wireless carriers subsequently sought a more efficient means of interconnection with the PSTN by purchasing their own switches, in what is known as "Type 2" interconnection.²⁹ In reviewing the question of whether ILECs had to provide Type 2 interconnection to wireless carriers, the Commission recognized that greater efficiencies can be achieved by Type 2 interconnection.³⁰ Granting this waiver in order to facilitate new interconnection arrangements is consistent with Commission precedent.

7. Although we grant SBCIS's waiver request, we are mindful that concerns have been raised with respect to whether enabling SBCIS to connect to its affiliate, SBC, in the manner described above, will disadvantage unaffiliated providers of IP-enabled voice services. Specifically, SBC recently filed an interstate access tariff with the Commission that would make available precisely the type of interconnection that SBCIS is seeking.³¹ WilTel Communications submitted an informal complaint to the Enforcement Bureau alleging that the tariff imposes rates that are unjust, unreasonable, and unreasonably discriminatory in violation of sections 201, 202, 251 and 252 of the Communications Act of 1934 and the corresponding Commission rules.³² In addition, ALTS submitted a request to the Wireline Competition Bureau that the Commission initiate an investigation of the tariff under section 205 of the Act because ALTS contends that the tariff is part of a strategy by SBC to impose access charges unlawfully on

²⁴ See SBCIS Petition at 5. See also PointOne Comments at 3.

²⁵ See *SBCIS STA Order*, 19 FCC Rcd at 10709.

²⁶ See SBCIS Petition at 3-4.

²⁷ *In the Matter of The Need to Promote Competition and Efficient Use of Spectrum for Radio Common Carrier Services*, Declaratory Ruling, Report No. CL-379, 2 FCC Rcd 2910, 2913-2914 (1987).

²⁸ *Id.*

²⁹ *Id.*

³⁰ *Id.*

³¹ We note that the tariff was filed on one days' notice, and therefore it is not "deemed lawful" under section 204(a)(3), nor has the Commission found it to be lawful.

³² See Letter from Adam Kupetsky, Director of Regulatory and Regulatory Counsel, WilTel Communications, to Radhika Karmarkar, Markets Disputes Resolution Division, Enforcement Bureau (Dec. 6, 2004).

unaffiliated providers of IP-enabled voice services.³³ Although the concerns raised about the lawfulness of SBC's tariff are serious, they do not provide a reason to delay action on a waiver that we otherwise find to be in the public interest. Rather, the appropriate forum for addressing such concerns is in the context of a section 205 investigation or a section 208 complaint.

8. Additional public interest concerns are also served by granting this waiver. The Commission has recognized the importance of encouraging deployment of broadband infrastructure to the American people.³⁴ The Commission has stated that the changes wrought by the rise of IP-enabled communications promise to be revolutionary.³⁵ The Commission has further stated that IP-enabled services have increased economic productivity and growth, and it has recognized that VoIP, in particular, will encourage consumers to demand more broadband connections, which will foster the development of more IP-enabled services.³⁶ Granting this waiver will spur the implementation of IP-enabled services and facilitate increased choices of services for American consumers.

9. Various commenters assert that SBCIS's waiver should be denied unless SBCIS meets a variety of Commission and state rules (e.g., facilities readiness requirements,³⁷ ten digit dialing rules,³⁸ contributing to the Universal Service Fund,³⁹ contributing applicable interstate access charges,⁴⁰ non-discrimination requirements,⁴¹ and state numbering requirements).⁴² We agree that it is in the public's interest to impose certain conditions. Accordingly, we impose the following conditions to meet the concern of commenters: SBCIS must comply with the Commission's numbering utilization and optimization requirements and industry guidelines and practices, including numbering authority delegated to state commissions; and SBCIS must submit any requests for numbering resources to the Commission and the relevant state commission at least 30 days prior to requesting resources from the NANPA or the PA.⁴³ These requirements are in the public interest, because they will help further the Commission's goal of ensuring that the limited numbering resources of the NANP are used efficiently.⁴⁴ We do not find it necessary, however,

³³ See Letter from Jason D. Oxman, General Counsel, ALTS, to Jeffrey Carlisle, Chief, Wireline Competition Bureau (Nov. 19, 2004).

³⁴ See *IP-Enabled Services NPRM*, 19 FCC Rcd at 4865.

³⁵ *Id.* at 4867.

³⁶ *Id.*

³⁷ See AT&T Comments in Opposition at 5-6.

³⁸ See Ohio PUC Comments at 4-5, Michigan PUC Reply Comments at 6-7.

³⁹ See BellSouth Comments at 8.

⁴⁰ *Id.* at 8-9.

⁴¹ See Ohio PUC Comments at 8; Vonage Comments at 9.

⁴² See California PUC Reply Comments at 5-6; Missouri PSC Reply Comments at 2.

⁴³ See *supra* at para. 4. In its pleadings, SBCIS noted its willingness to comply with all federal and state numbering requirements. See SBCIS Reply Comments at 8-10; *see also* SBCIS Comments at 9-10.

⁴⁴ *Numbering Resource Optimization*, Report and Order and Further Notice of Proposed Rulemaking, CC Docket 99-200, 15 FCC Rcd 7574, 7577 (2000).

to condition SBCIS' waiver on compliance with requirements other than numbering requirements.⁴⁵ Requiring SBCIS to comply with numbering requirements will help alleviate concerns with numbering exhaust. For example, the NRUF reporting requirement will allow the Commission to better monitor SBCIS' number utilization. Most VoIP providers' utilization information is embedded in the NRUF data of the LEC from whom it purchases a Primary Rate Interface (PRI) line. Also, SBCIS will be able to obtain blocks of 1,000 numbers in areas where there is pooling, as opposed to obtaining a block of 10,000 numbers as a LEC customer. Moreover, SBCIS will be responsible for processing port requests directly rather than going through a LEC. SBCIS' other obligations are not relevant to this waiver and will be addressed in other proceedings, including the *IP-Enabled Services* proceeding.

10. Among the numbering requirements that we impose on SBCIS is the "facilities readiness" requirement set forth in section 52.15(g)(2)(ii). A number of parties have raised concerns about how SBCIS will demonstrate that it complies with this requirement.⁴⁶ In general, SBCIS should be able to satisfy this requirement using the same type of information submitted by other carriers. As noted by SBCIS, however, one piece of evidence typically provided by carriers is an interconnection agreement with the incumbent LEC that serves the geographic area in which the carrier proposes to operate.⁴⁷ For purposes of demonstrating compliance with section 52.15(g)(2)(ii), if SBCIS is unable to provide a copy of an interconnection agreement approved by a state commission, we require that it submit evidence that it has ordered an interconnection service pursuant to a tariff that is generally available to other providers of IP-enabled voice services. The tariff must be in effect, and the service ordered, before SBCIS submits an application for numbering resources. SBCIS, however, may not rely on the tariff to meet the facilities readiness requirement if the Commission initiates a section 205 investigation of the tariff. These requirements represent a reasonable mechanism by which SBCIS can demonstrate how it will connect its facilities to, and exchange traffic with, the public switched telephone network. This requirement also helps to address the concerns raised by Vonage regarding the potential for SBCIS to obtain discriminatory access to the network of its incumbent LEC affiliate.⁴⁸

11. Finally, a few commenters urge the Commission to address SBCIS's petition in the current *IP-Enabled Services* proceeding.⁴⁹ We decline to defer consideration of SBCIS's waiver until final numbering rules are adopted in the *IP-Enabled Services* proceeding. The Commission has previously

⁴⁵ See 47 C.F.R. Part 52.

⁴⁶ See AT&T Comments at 5-6; Vonage Comments at 6-7.

⁴⁷ See SBCIS Reply Comments at 11.

⁴⁸ See Vonage Comments at 4. SBC recently filed a new interstate access tariff offering the form of tandem interconnection described by SBCIS in its waiver petition. WilTel Communications has filed an informal complaint against the tariff and ALTS has requested that the Commission initiate an investigation of that tariff pursuant to section 205. See *supra* para. 7. As noted above, either a section 205 investigation or a section 208 complaint is a better mechanism than this waiver proceeding for addressing discrimination concerns raised by the tariff. *Id.* We note that interested parties also have the option to oppose tariff filings at the time they are made or to file complaints after a tariff takes effect.

⁴⁹ See AT&T Comments in Opposition at 4-5, Verizon Reply Comments at 1-2, California PUC Reply Comments at 7-9.

granted waivers of Commission rules pending the outcome of rulemaking proceedings,⁵⁰ and for the reasons articulated above, it is in the public interest to do so here. We also request the NANC to review whether and how our numbering rules should be modified to allow IP-enabled service providers access to numbering resources in a manner consistent with our numbering optimization policies. We grant this waiver until the Commission adopts final numbering rules regarding IP-enabled services. To the extent other entities seek similar relief we would grant such relief to an extent comparable to what we set forth in this Order.

IV. ORDERING CLAUSE

12. IT IS ORDERED that, pursuant to sections 1, 3, 4, 201-205, 251, 303(r) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 153, 154, 201-205, 251, and 303(r), the Federal Communications Commission GRANTS a waiver to SBCIS to the extent set forth herein, of section 52.15(g)(2)(i) of the Commission's rules, until the Commission adopts final numbering rules regarding IP-enabled services.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

⁵⁰ See e.g., *Pacific Telesis Petition for Exemption from Customer Proprietary Network Information Notification Requirements*, Order, DA 96-1878 (rel. Nov. 13, 1996)(waiving annual Customer Proprietary Network Information (CPNI) notification requirements, pending Commission action on a CPNI rulemaking).

APPENDIX**Commenters**

AT&T Corporation
BellSouth Corporation
Iowa Utilities Board
New York State Department of Public Service
Pennsylvania Public Utility Commission
PointOne
Public Utilities Commission of Ohio
Sprint Corporation
Time Warner Telecom, Inc.
Vonage Holdings Corporation

Reply Commenters

AT&T Corporation
California Public Utilities Commission
Indiana Utility Regulatory Commission
John Staurulakis, Inc.
Maine Public Utilities Commission
Michigan Public Service Commission
National Association of Regulatory Utility Commissions
Public Service Commission of the State of Missouri
SBC IP Communications, Inc.
Sprint Corporation
Verizon
Vonage Holdings, Corporation

**CONCURRING STATEMENT OF
COMMISSIONER KATHLEEN Q. ABERNATHY**

Re: Administration of the North American Numbering Plan, Order, CC Docket No. 99-200, FCC 05-20

I support the Commission's decision to grant SBC IP Communications direct access to numbering resources, subject to the conditions set forth in this Order. I would have preferred, however, to grant such access by adopting a rule of general applicability, rather than by waiver. All of the arguments that justify allowing SBCIP to obtain numbers directly appear to apply with equal force to many other IP providers, suggesting that this decision will trigger a series of "me too" waiver petitions. Moreover, proceeding by rulemaking would have better enabled the Commission to address potential concerns associated with the direct allocation of numbers to IP providers. Particularly where, as here, the Commission already has sought public comment in a Notice of Proposed Rulemaking, I support adhering to the notice-and-comment rulemaking process established by the APA, rather than developing important policies through an ad hoc waiver process.

**CONCURRING STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

Re: Administration of the North American Numbering Plan, Order, CC Docket No. 99-200, FCC 05-20

Congress charged the Commission with the responsibility to make numbering resources available “on an equitable basis.” Because numbers are a scarce public good, it is imperative that the Commission develop policies that ensure their efficient and fair distribution. I support today’s decision because it is conditioned on SBC Internet Services complying with the Commission’s numbering utilization and optimization requirements, numbering authority delegated to the states and industry guidelines and practices, including filing the Numbering Resource and Utilization Forecast Report. In addition, SBC Internet Services is required to file any requests for numbers with the Commission and relevant state commission in advance of requesting them from the North American Numbering Plan Administrator and/or Pooling Administrator.

I limit my support to concurring, however, because I think the approach the Commission takes here is less than optimal. Undoubtedly, SBC Internet Services is not the only provider of IP services interested in direct access to numbering resources. But our approach today neglects the need for broader reform that could accommodate other IP service providers. It puts this off for another day, preferring instead to address what may soon be a stream of wavier petitions on this subject.

While I am encouraged that the offices have agreed to refer these broader issues to the experts on the North American Numbering Council, I am disappointed that this did not occur well before today’s item. Like so many other areas involving IP technology, this Commission is moving bit by bit through petitions without a comprehensive focus that will offer clarity for consumers, carriers and investors alike.

Finally, I think it is important to acknowledge that numbering conservation is not an issue that the federal government can undertake by itself. States have an integral role to play. This is why Congress specifically provided the Commission with authority to delegate jurisdiction over numbering administration to our state counterparts. Consumers everywhere are growing frustrated with the proliferation of new numbers and area codes. As IP services grow and multiply, state and federal authorities will have to redouble our efforts to work together. After all, we share the same goals—ensuring that consumers get the new services they desire and ensuring that numbering resources are distributed in the most efficient and equitable manner possible.

**CONCURRING STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN**

Re: Administration of the North American Numbering Plan, Order, CC Docket No. 99-200, FCC 05-20

I support this decision to permit SBC to pursue innovative network interconnection arrangements through a limited and conditional waiver that grants SBC access to numbering resources for their IP-enabled services. In granting this relief, I note SBC's commitment to comply with Federal and State numbering utilization and optimization requirements. I am also pleased that this Order includes a referral to the North American Numbering Council for recommendations on whether and how the Commission should revise its rules more comprehensively in this area. While I support this conditional waiver, these issues would be more appropriately addressed in the context of the Commission's IP-Enabled Services rulemaking. Addressing this petition through the IP-Enabled Services rulemaking would allow the Commission to consider more comprehensively the number conservation, intercarrier compensation, universal service, and other issues raised by commenters in this waiver proceeding. It would also help address commenters' concerns that we are setting IP policy on a business plan-by-business plan basis rather than in a more holistic fashion.